

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

JOSE J. JARAMILLO)	
)	
)	07 CV 07006
Plaintiff)	
)	
V.)	
)	
ESPERANZA FINANCIAL SERVICES)	
OCWEN LOAN SERVICING)	
MORTGAGE ELECTRONIC REGISTRATION)	
SYSTEM)	
WMC MORTGAGE CORPORATION)	
)	
Defendants)	

Hon Blanche M. Manning
Magistrate Susan E. Cox

JOINT INITIAL STATUS REPORT

Jose Jaramillo, through his attorneys, Leibowitz Law Center (Lead Counsel: David P. Leibowitz), Ocwen Loan Servicing, through its attorneys, Potestivo & Associates, PC (Lead Counsel: Amy Ann Kalarickal) and WMC Mortgage LLC, through its attorneys, Schwartz, Cooper Chtd. (Lead Counsel: Patrick Thomas Stanton), states as follows:

1. Brief Summary of Claims Asserted in the Complaint

Plaintiff claims that he validly rescinded any security interest on his property by virtue of Esperanza Financial Services, WMC Mortgage Corporation, Mortgage Electronic Registration Systems ("MERS") and OCWEN Loan Servicing (collectively referred to as "Defendants") violation of the Truth in Lending Act ("TILA") and its

promulgating regulations. Such violation can be attributed to Esperanza's failure to provide Plaintiff with meaningful disclosures and two copies of the Notice of Right to Rescind pursuant to 15 U.S.C. §1635(a) and Regulation Z, §226.15(b), §226.23(b) at closing. Pursuant to 15 U.S.C. §1641(c), Plaintiff claims that he may rescind the transaction as to WMC Mortgage Corporation as assignee and any other subsequent assignees.

Plaintiff also brings a claim against Esperanza that the mortgage transaction referenced in the complaint was induced by fraud. The complaint alleges, *inter alia*, a last minute bait and switch at the closing table which resulted in a loan that provided no substantial economic benefit to the Plaintiff.

2. Brief Statement of the Relief Sought, Including Itemization of Damages

Plaintiff claims that he is entitled to rescission of the mortgage on his property by virtue of Defendants' violation of the TILA and the declaration that any mortgages or security interest held by Defendants be declared void and unenforceable.

Plaintiff requests that Defendants provide an accounting and refund of all payments made by Plaintiff on this mortgage along with statutory damages and attorneys fees as applicable under the statute.

Plaintiff is also requesting damages in whatever amount above \$25,000.00 plus equitable relief including rescission of the mortgage, for fraud in the inducement along with interest, costs and attorney fees.

3. Brief Description of the Matter Referred to the Magistrate Judge:

A copy of the Referral Order is attached hereto as Exhibit A.

4. **Status of any Briefing on the Matters Referred:**

Ocwen Loan Servicing filed a motion to dismiss Plaintiff's Complaint. The briefing schedule requires Plaintiff to respond on or before March 18, 2008. OCWEN is required to file a reply on or before April 3, 2008. The parties are required to conduct a 26(f) conference by March 20, 2008.

Plaintiff further states that it will agree to dismiss OCWEN from the suit without prejudice and substitute the current holder of the mortgage as party defendant.

5. **Whether Parties Consent to Trial Before Magistrate Judge:**

The parties do not consent to a trial before the Magistrate Judge.

6. **The Status of any Settlement Negotiations:**

The parties have had preliminary settlement negotiations. An offer was extended by OCWEN and WMC Mortgage, LLC to which a counteroffer was made by Plaintiff. Once OCWEN is dismissed from the case without prejudice, Plaintiff will substitute the current holder of the mortgage as party defendant to resume settlement negotiations. Plaintiff is open to discussing settlement with the parties and will be submitting an itemization of damages and a settlement proposal shortly.

Respectfully Submitted By,

/s/ David P. Leibowitz

David P. Leibowitz
Leibowitz Law Center
Lead Counsel for the Plaintiff

/s/ Amy Ann Kalarickal

Amy Ann Kalarickal
Potestivo & Associates, P.C
Lead Counsel for OCWEN Loan Servicing

/s/ Patrick Thomas Stanton

Patrick Thomas Stanton

Schwartz, Cooper Chtd.
Lead Counsel for WMC Mortgage LLC

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